

Improving Accuracy of Business Coding for Contracts

The Small Business Administration's (SBA) mission is to strengthen the American economy via small businesses, and one of the SBA's primary goals is to ensure small businesses receive a fair portion of federal procurement dollars. The SBA takes pride in both its efforts and accomplishments towards achieving that goal. Since 2002, the SBA has taken many important steps to ensure that all of the dollars awarded in the name of small business go to small businesses. These important reforms include:

- **Improved Accuracy of Small Business Database.** The SBA improved the accuracy of data in the Dynamic Small Business Search (formally PRO-Net), purged large businesses from the database and limited the listing to only those industry activities where a business qualifies as small. In late 2003, SBA removed 90, 000 firms from PRO-Net because their profiles had not been updated in over 18 months. For more information, please see http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm.
- **Improved Accuracy of Contractor Data.** The SBA, the Office of Management and Budget (OMB), the General Services Administration (GSA) and the Department of Defense recently revamped the Central Contractor Registration (CCR) database to give the SBA oversight over the small business designation process and to more accurately monitor contract awards going to small businesses. This upgrade will improve upon the accuracy of the federal government's reporting of small business achievements and will allow the SBA to monitor and confirm the companies' small business status. Effective April 22, 2005, small businesses will no longer be able to self-certify on the CCR database as a SBA-certified small disadvantaged business, 8(a)-certified business or HUBZone-certified business. Also, as a result of the upgrade to the database, small businesses registering in the CCR database or updating their profile in the database will be presented with a small business fraud and misrepresentation acknowledgement statement which lists the penalties imposed for misrepresentation as a small business.
- **More Timely Contract Data.** GSA recently unveiled the Federal Procurement Data System - Next Generation (FPDS-NG). With direct contract writing systems, FPDS-NG reporting has the ability to be real time. Also, the Online Representations and Certifications Application (ORCA) are considered public information, so anyone can search the system to view the certifications.
- **Closing of Certification Loopholes.** With the cooperation of GSA and OMB, GSA now requires small businesses to re-certify at the option period on multiple award schedule contracts. Previously, they could retain their small business status for reporting purposes throughout the life of the multiple award schedule contract, regardless of option periods.
- **Novated Contracts Must Now Be Recertified.** One provision of the Agency's May 21, 2004 size rule that became effective on December 21, 2004, requires small business recertification on novated contracts. This now means that recertification will occur when a small business contract is transferred to another firm. Please see SBA Press Release 04-87 of December 21, 2004 at <http://www.sba.gov/news/04-87.pdf>
- **Permitting Size Protests on Unrestricted Procurements.** Size protests are now allowed for procurements that were not necessarily reserved for small business. Previously, protests were generally limited to set aside contracts.
- **SBA Lists Large Firms on Website.** The SBA now lists on its web site businesses found to be other than small as the result of a formal size determination. Please see "Other Than Small Size Determinations" at <http://www.sba.gov/size>.